

RESTRICTED

**RESTRICTED**

REPORT

CD NO.

FOREIGN DOCUMENTS OR RADIO BROADCASTS

DATE OF INFORMATION 1949

DATE DIST. Dec 1949

NO. OF PAGES 2

SUPPLEMENT TO  
REPORT NO.

SUPPLEMENT TO  
REPORT NO.

LANGUAGE Chinese

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT OF U. S. C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE                Newspapers as indicated.

# COMMUNIST CHINA RESISTS BLOCKADE

CCP ISSUES REGULATIONS TO OVERCOME EFFECTS -- Wen-hui Pao, 28 Oct 49

The Central People's government set up the following six requisites for overcoming the effects of the **IMT** blockade.

1. Step up the military activities of the Peoples' Liberation Army, and hasten the complete liberation of the country.
2. Systematically move the refugee population of Shang-hai and a portion of the schools and industrial plants inland. Encourage all well-to-do farmers, landlords, farmers, and youths who fled from the war's vicissitudes to the city to return to the country and engage in agricultural production.
3. Alter the policy and direction of production increase; make strenuous efforts to increase production and expand industry.
4. Mobilize cadres, workers, and students to go onto the land in order to expand the consumer market for manufactured goods and at the same time supply the city with grain and industrial raw materials.
5. Expand communications in the interior, thus encouraging the exchange of goods between city and country.
6. Practice austerity in the use of clothing and food, prohibit waste, and overcome habits of ease and indolence.

By the application of these principles, industry in China will be able to escape the effects of the blockade. By utilizing domestic raw materials in industrial plants and by moving plants from the coastal area, now so dependent upon foreign imports, interior where domestic raw materials are produced, the tables will be turned and the American blockaders will find that when their blockade is lifted their markets will be gone forever.

- 1 -

## REFERENCES

CLASSIFICATION

RESTRICTED

STATE		NAVY	AIR	NSRB	DISTRIBUTION	
ARMY				FBI		

STAT

RESTRICTED

RESTRICTED

EDITOR SAYS OUTLOOK IN SHANG-HAI GOOD -- Ta Kung Pao, 28 Oct 49

A survey of conditions in Shang-hai at the end of September 1949 reveals that the uncertain days are over and a definite upturn has come. More industries of all kinds are opening every week and the demand for their products is increasing.

Market prices have been stabilized and the black market is becoming progressively a less attractive source of wealth.

The policies of the Central People's government authorities in dealing with industry and business are being justified by results in the face of the blockade.

T'IENTSING--HONG KONG TRADE, ONE ANSWER TO BLOCKADE -- Wen-hui Pao, 19 Nov 49

Returning from T'ien-ching to Hong Kong, a responsible official of a trading company stated that trade between the two ports is ten times as great as it was in March of this year. T'ien-ching has more than 400 factories in operation, largely small-scale privately-operated plants, the majority of which are rubber factories. There are also more than 4,000 merchandising establishments.

Exports of bristles, soybeans, edible oils, peanuts, tung oil, and vegetable oils are controlled by the government and exporters must secure permits from the Trade Bureau when buying these items. Exchange contracts are required for all exports.

T'ien-ching imports are largely industrial raw materials, western pharmaceuticals, metal parts, and materials for communications instruments. Traders can realize 150 to 200 percent profit above expenses on these imports. Because of the slack market in Hong Kong, exporters to that port take a loss of 70 or 80 percent but they still make a net profit of 80 percent or more on the complete transaction.

- E N D -

- 2 -  
RESTRICTED

RESTRICTED